



U.S. Immigration
and Customs
Enforcement

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News Release

ICE investigations net money transmitters in Philadelphia

PHILADELPHIA, PA. – John Kelleghan, the acting Special Agent-in-Charge of U.S. Immigration and Customs Enforcement (ICE), Philadelphia, today announced that a local money transmitter pleaded guilty this week to criminal charges of loan fraud, structuring financial transactions, and operating an illegal money transmittal business, while another local money transmitter was sentenced to 30 months incarceration for laundering money that he believed to be drug proceeds.

“Money transmittal businesses that operate underground and outside the law pose significant homeland security threats. As we have seen in the past, these types of businesses can be and have been exploited by criminal organizations and even terrorist groups to move funds virtually anywhere in the world with no questions asked. Closing down this vulnerability is a priority for ICE,” said Acting Special Agent-in-Charge Kelleghan.

On May 24, **Seide Venord** was sentenced to 30 months in federal incarceration, ordered to make restitution of \$25,140, ordered to forfeit \$4,660 in cash, and ordered to pay \$1,000 in court fines at sentencing before U.S. District Judge John R. Padova, in the Eastern District of Pennsylvania. Venord was convicted by a federal jury in January 2006 on 43 counts for his role in laundering roughly \$267,195 in funds that he believed to be drug proceeds through his Philadelphia money transmittal business to the Dominican Republic

Venord was the owner and in-house anti-money laundering compliance officer for **Venord Multiple Services**, a money transmitting business located at 4922 North 5th Street, in Philadelphia, PA. In this position, Venord was a licensed money transmitter for Western Union, Vigo Remittance, and Girosol Corporation, all money transmittal businesses licensed in the state of Pennsylvania.

Venord conducted financial transactions that were represented to him by a cooperating witness working at the direction of ICE agents to be proceeds of illegal drug trafficking. Venord arranged for the international transfers of money and exchanged blank money orders for cash. Specifically, Venord structured these transactions to evade the federal currency transaction requirements and permitted the use of false identification and fictitious names to prevent discovery of the money sender’s true identity.

Medina Tax & Travel

On May 23, **Sheikh Mohammed Khurshan**, a naturalized U.S. citizen from Bangladesh, pleaded guilty before U.S. District Judge Anita Brody in the Eastern District of Pennsylvania to one count of operating an unlicensed money transmittal business, one count of attempted loan fraud, and one count of structuring financial transactions.

Khurshan was the president and owner of **Medina Tax and Travel** located at 4302 Market Street in Philadelphia and was the appointed accountant of the Majid Al-Jamia mosque located at 4228 Walnut Street in Philadelphia.

An ICE investigation revealed that Khurshan often structured deposits of cash in \$9,000 increments every few days into local Philadelphia banks order to evade the federal \$10,000 currency transaction requirements. When the account balance reached \$20,000 to \$40,000, Khurshan would conduct a large wire transfer depleting the account. Most of the funds were sent to a company in Singapore.

Using these techniques, Khurshan transmitted more than \$900,000 overseas, although he was not licensed in the state of Pennsylvania to operate a money transmittal business. Khurshan has stated that he sent funds abroad for a one to three percent commission.

A federal grand jury returned a sealed indictment against Khurshan on May 26, 2005. Khurshan voluntarily surrendered to federal authorities on June 1, 2005.

Khurshan is scheduled to be sentenced in August 2006. He faces a maximum sentence of 40 years incarceration; five years supervised release, a fine of \$1.5 million, \$400,000 in asset forfeiture, and a \$300 special assessment by the court.

USA Patriot Act and money transmittal businesses

For decades, money transmittal businesses (including *hawalas*) have proven vulnerable to criminal exploitation. The USA Patriot Act of 2001 enhanced ICE's ability to combat the international movement of illicit funds through these businesses by amending the 18 USC 1960 statute. As a result of this law, money service businesses in the United States are required to be registered with the U.S. Treasury Department and be licensed by the appropriate state authorities.

Since the enactment of the USA Patriot Act, ICE agents have used this statute to aggressively target unlicensed money transmittal businesses and underground *hawalas* nationwide, given the substantial vulnerabilities they pose.

From 2002 through 2005, these investigative efforts by ICE resulted in the arrest of more than 155 individuals and 142 criminal indictments, as well as the seizure of more than \$25 million in illicit profits in connection with unlicensed money transmittal businesses.

ICE

U.S. Immigration and Customs Enforcement (ICE) was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.